



Global Green Chemicals Public Company Limited

Management Discussion and Analysis  
For the operating results of 3Q/2019



## Executive Summary

In 3Q/2019, overall palm oil production and crude palm oil (CPO) inventory remained high in both domestic and international market, thus crude palm oil (CPO) and crude palm kernel oil (CPKO) prices were lower than that of 3Q/2018. Under these circumstances the government has continuously maintained the biodiesel mandated at B7. Also, the government has promoted B20 and B10 as fuel options by subsidizing B20 and B10 to be lower than B7 at 5 Baht/litre and 1 Baht/litre respectively. Additionally, the government has delegated the Electricity Generating Authority of Thailand (EGAT) to purchase the rest of 130,000 tons of crude palm oil to be used as electricity. For natural fatty alcohols market in 3Q/2019, the demand was slow down which was affected from US China trade war. And as Yuan (CNY) was depreciated against US dollar, it hence, the purchasing power of China was declined.

From these factors, the company recorded methyl ester sales volume in 3Q/2019 at 102,834 tons, an increase of 18,197 tons or 22% compared to 3Q/2018 due to the incremental capacity of methyl ester from methyl ester plant 2 in 3Q/2019. Meanwhile, natural fatty alcohols sales volume was sold at 23,364 tons, a decrease of 3,535 tons or 13% from 3Q/2018.

In 3Q/2019, total revenue was reported at THB 3,108 million, decreased from 3Q/2018 by THB 596 million or 16% and EBITDA was recorded at THB 44 million, decreased by THB 245 million or 85% from the same quarter of the previous year, despite, fatty alcohol business had contributed EBITDA of THB 156 million. This was because the methyl ester business was impacted from increase in methyl ester supply in Thailand which pressured to the profitability of methyl ester, Stock Loss & NRV due to dropped in crude palm oil price, and the declining of glycerine price driven by glycerine supply glut since biodiesel blending rate has been increased by leading biodiesel producers in global market. As aforementioned, the company posted net loss of THB 97 million, declined by 152% from the same quarter of prior year.

As of 30 September 2019, the company has total assets in the amount of THB 12,468 million which comprised of cash and short-term investment amounting to THB 3,338 million, with total liabilities of THB 3,011 million and total equities of THB 9,457 million. In this regard, the company's financial position remains strong with low debt-to-equity ratio and high current ratio.

In this quarter, methyl ester plant 1 had been tested for producing fatty acid methyl ester type 2 (B100 High Pure) and the plant can produce such product which its specification complies with the government standard.

## Operating Performance

Exhibit 1: Consolidated Company's Performance comparison of 3Q/2019 vs. 3Q/2018 vs. 2Q2019 vs. 9M2019 vs. 9M2018

UNIT: M THB	3Q2019	3Q2018	%YoY	2Q2019	%QoQ	9M2019	9M2018	%YoY
Sales Revenue	3,108	3,704	-16%	3,290	-6%	9,213	12,571	-27%
EBITDA	44	289	-85%	88	-50%	273	637	-57%
EBITDA Margin (%)	1.4%	7.8%	-6.4%	2.7%	-1.3%	3.0%	5.1%	-2.1%
Stock Gain/(Loss) & NRV	13	-57	-123%	-58	-122%	-119	-439	-73%
Adjusted EBITDA <sup>(1)</sup>	31	346	-91%	146	-79%	392	1,076	-64%
Adjusted EBITDA Margin (%)	1.0%	9.3%	-8.3%	4.4%	-3.4%	4.3%	8.6%	-4.3%
<b>Net Profit</b>	<b>-97</b>	<b>185</b>	<b>-152%</b>	<b>-36</b>	<b>169%</b>	<b>-113</b>	<b>317</b>	<b>-136%</b>
Item from raw materials derogation	-	-	n.a.	14 <sup>(2)</sup>	-100%	16 <sup>(2)</sup>	-2,004	-101%
Tax income from deferred tax assets	-	-	n.a.	-	n.a.	-	84	-100%
<b>Extra item net of tax</b>	<b>0</b>	<b>0</b>	<b>n.a</b>	<b>14</b>	<b>-100%</b>	<b>16</b>	<b>-1,920<sup>(3)</sup></b>	<b>-101%</b>
<b>Net Profit after extra items</b>	<b>-97</b>	<b>185</b>	<b>-152%</b>	<b>-22</b>	<b>341%</b>	<b>-97</b>	<b>-1,603</b>	<b>-94%</b>
EPS (Baht/share)	-0.09	0.18	-150%	-0.02	350%	-0.09	-1.57	-94%

Note:

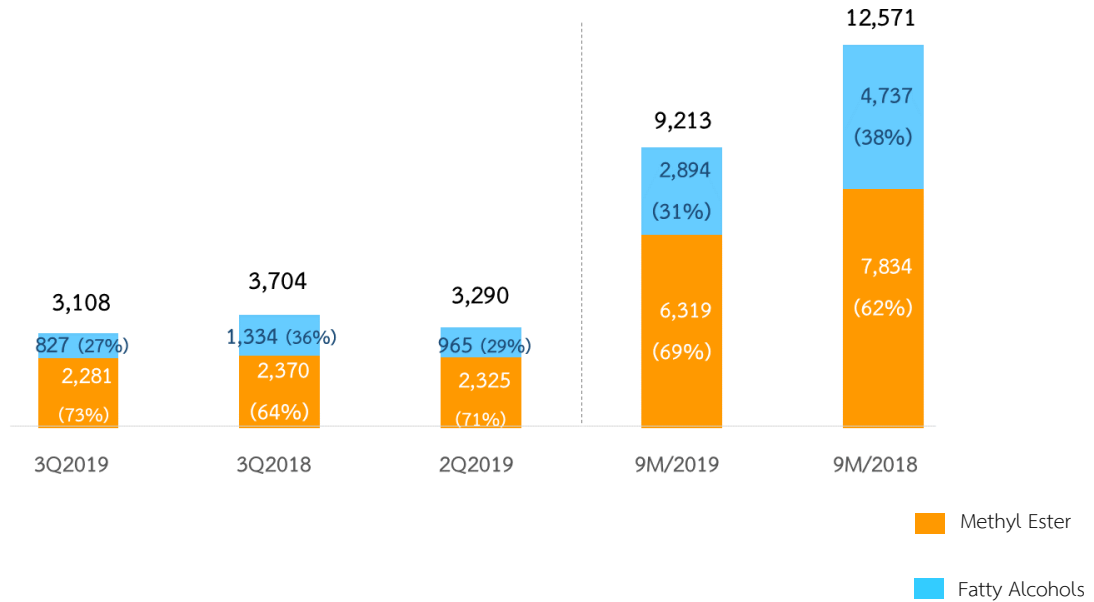
(1) Adjusted EBITDA refers to EBITDA excluding impact of Stock Gain/(Loss) and NRV

(2) Extra item was from reversal of inventory derogation because a supplier had delivered raw materials to the company regarding to the settlement agreement

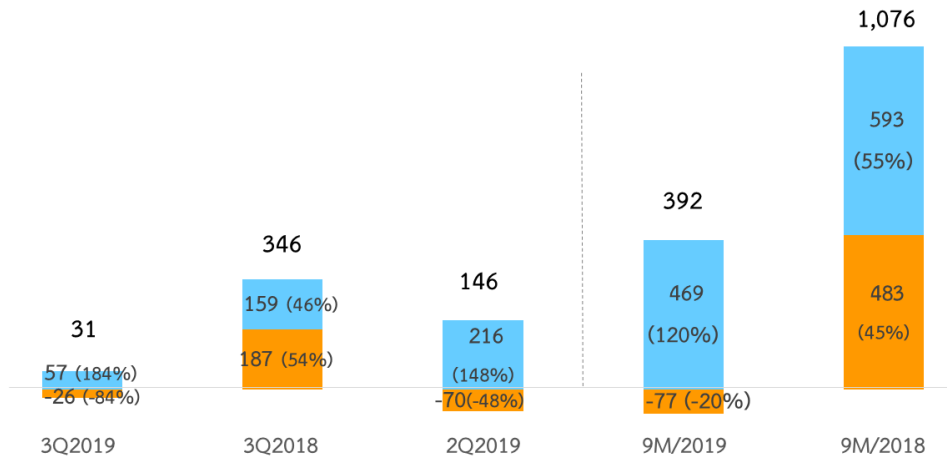
(3) Extra items were expenses from raw materials derogation amounting to THB 2,004 million net of tax income from deferred tax assets amounting to THB 84 million.

Exhibit 2 : Sales revenue and Adjusted EBITDA breakdown by business unit comparison of 3Q/2019 vs. 3Q/2018 vs. 2Q/2019 vs. 9M2019 vs. 9M2018 (million THB)

**Sale Revenue Breakdown**



**Adjusted EBITDA**



## Market Overview by Business

### Methyl Ester (Biodiesel)

Exhibit 3: Product and Feedstock Prices

Average Price	3Q2019	3Q2018	%YoY	2Q2019	%QoQ	9M2019	9M2018	%YoY
Methyl Ester (B100) (Baht/litre) <sup>(1)</sup>	21.62	25.11	-14%	21.17	2%	21.18	24.93	-15%
Methyl Ester (B100) (Baht/kg) <sup>(2)</sup>	24.99	29.03	-14%	24.48	2%	24.49	28.82	-15%
Crude Palm Oil (CPO) (Baht/kg) <sup>(3)</sup>	16.89	20.24	-17%	17.21	-2%	16.71	20.45	-18%
EPPO P2F (Baht/kg) <sup>(4)</sup>	4.83	5.29	-9%	4.84	-0%	4.84	5.18	-7%
Biodiesel Mandate	B7	B7		B7		B7	B7	

Note : (1) Reference Price of EPPO  
 (2) Conversion ratio: 0.865 Tons = 1,000 Liters  
 (3) Reference Price of DIT  
 (4) Market ME Price - Mixed Feedstock according to EPPO's B100 formula

An average of the 3Q/2019 crude palm oil price (CPO-DIT) was at 16.89 Baht/kg, being less than 3Q/2018 by 3.35 Baht/kg or down 17% driven by increasing of crude palm oil supply. The stock of crude palm oil in September 2019 reached to 514,375 tons. On the domestic methyl ester demand in 3Q/2019, it was estimated to be at 393,388 tons, an increase of 83,483 tons or 27%, primarily from continually growing of B20 consumption as the increasing subsidies policy on B20 to be lower than B7 from 3 Baht/litre to 5 Baht/litre during December 2018 to September 2019. Furthermore, the government announced B10 to be another optional fuel in May 2019 which was subsidy to be less than B7 by 1 Baht/litre to stimulate methyl ester consumption. As crude palm oil price dropped, methyl ester price in 3Q/2019 was at 24.99 Baht/kg, dropped by 4.04 Baht/kg or down 14% from the same period of previous year.

Compared to 2Q/2019, crude palm oil price was at 16.89 Baht/kg, downed by 0.32 Baht/kg or 2% because the domestic inventory was still at high level, although the government has attempted to stimulate crude palm oil demand by implementing various measurements. In 3Q/2019, methyl ester demand was increased from 2Q/2019 by 13,782 tons or 4%, which was equal to 393,388 tons, even if it was rainy season resulting to declining of high speed diesel consumption in Thailand. However, the effectiveness of B20 subsidy policy has impacted to growing of domestic methyl ester demand.

The average EPPO P2F in 3Q/2019 (the difference between ME EPPO price and mixed feedstock prices) was at 4.83 Baht/kg, decreased by 0.46 Baht/kg or 9% from 3Q/2018 because the methanol price

which is a factor in the ME EPPO price formula decreased. Meanwhile EPPO P2P in 3Q/2019 was close to previous quarter.

Considering 9M/2019 and 9M/2018 comparison, crude palm oil price was dropped to 16.71 Baht/kg, a decrease of 3.74 Baht/kg or 18% due to high level of crude palm oil inventory and rising of crude palm oil output. Consequently, methyl ester price in 9M/2019 was at 24.49 Baht/kg, a decrease of 4.33 Baht/kg or 15% from 9M/2018. Concurrently, the EPPO P2F was at 4.84 Baht/kg, decreased by 7% compared to 9M/2018.

## Fatty Alcohols

Exhibit 4: Products and Feedstock's prices

Average Price (USD per ton)	3Q2019	3Q2018	%YoY	2Q2019	%QoQ	9M2019	9M2018	%YoY
Fatty Alcohols <sup>(1)</sup>								
- Short Chain	2,848	3,822	-25%	3,030	-6%	3,042	3,761	-19%
- Mid Cut	1,033	1,351	-24%	1,110	-7%	1,128	1,516	-26%
- Long Chain	1,030	1,259	-18%	1,108	-7%	1,107	1,280	-14%
Average Fatty Alcohols <sup>(2)</sup>	1,178	1,521	-23%	1,263	-7%	1,275	1,625	-22%
Crude Palm Kernel Oil (CPKO) <sup>(3)</sup>	561	882	-36%	554	1%	597	980	-39%
Market P2F of Fatty Alcohols	504	463	9%	599	-16%	559	449	24%

Note : (1) Reference Price of ICIS

(2) Average price of fatty alcohols with production proportion: Short Chain 8% Mid Cut 62% and Long Chain 30%

(3) Reference Price of Malaysian Palm Oil Board (MPOB)

Average crude palm kernel oil price (MPOB) in 3Q/2019 was at 561 USD/ton, dropped from 3Q/2018 by 321 USD/ton or 36%, while it was a little bit increase from the previous quarter. The primary cause of decrease in crude palm kernel oil price was due to high level of Indonesian and Malaysian palm oil stock driven by rising of their output. In addition, overall demand of palm oil is expected to be slow growth driven by tariff barriers of international trade such as an increasing of the tax on refined palm oil by India government, attributed to continuously pressure on crude palm kernel oil price.

Demand of natural fatty alcohols in 3Q/2019 has slowed down because of US China trade war and depreciation of Yuan (CNY) against US dollar, resulting to purchasing power of China depressed.

As CPKO price declined, the average of 3Q/2019 natural fatty alcohols price was at 1,178 USD/ton, decreased by 23% and 7% from 3Q/2018 and 2Q/2019, respectively.

Due to tight supply, market P2F of natural fatty alcohols in 3Q/2019 was at 504 USD/ton, improved by 9% from 3Q/2018. On the other hand, it decreased from 2Q/2019 by 16% because the market had concerned on global economy uncertainty.

In summary, market for 9M/2019 versus 9M/2018, crude palm kernel oil price was at 597 USD/ton, sharply dropped by 383 USD/ton or 39% mainly from high international stock level of palm oil. According to downward trend in crude palm kernel oil price, the average of natural fatty alcohols price was at 1,275 USD/ton, reduced by 22%. However, market P2F of natural fatty alcohols in 9M/2019 was at 559 USD/ton, improved by 24% from 9M/2018 driven by tight supply.

## Operating Performance by Business Unit

### Methyl Ester (ME) Business Unit Operating Performance

Exhibit 5: Keys Operating Performance of ME Business Unit

Methyl Ester Business	3Q2019	3Q2018	%YoY	2Q2019	%QoQ	9M2019	9M2018	% YoY
Utilization (%)	78% <sup>(1)</sup>	113% <sup>(2)</sup>	-35%	83% <sup>(1)</sup>	-5%	85%	113% <sup>(2)</sup>	-28%
Sales Volume (ton)	102,834	84,637	22%	111,590 <sup>(3)</sup>	-8%	309,127 <sup>(4)</sup>	277,491	11%
Sales Volume (million litre) <sup>(5)</sup>	119	98	22%	129	-8%	357	321	11%
Sales Revenue (million baht)	2,281	2,370	-4%	2,325	-2%	6,319	7,834	-19%
EBITDA (million baht)	-112	159	-170%	-55	104%	-166	428	-139%
EBITDA margin (%)	-4.9%	6.7%	-11.6%	-2.4%	-2.5%	-2.6%	5.5%	-8.1%
Stock Gain/(Loss) & NRV (million baht)	-86	-28	207%	15	-673%	-89	-55	62%
Adjusted EBITDA (million baht) <sup>(6)</sup>	-26	187	-114%	-70	-63%	-77	483	-116%
Adjusted EBITDA Margin (%)	-1.1%	7.9%	-9.0%	-3.0%	1.9%	-1.2%	6.2%	-7.4%

Note : (1) Nameplate Capacity 500,000 tons per year from methyl ester plant 1 and plant 2 with nameplate 300,000 and 200,000 ton per year respectively.

(2) Nameplate Capacity 300,000 tons per year from methyl ester plant 1

(3) In 2Q/2019, GGC noticed the commercial operating of methyl ester plant 2, on April 5, 2019, as a result, sales volume of methyl ester during April 1-4, 2019 amounting to 1,615 tons could not be recorded in profit/loss statement.

(4) In 9M/2019, GGC had sales volume from methyl ester plant 2 of 17,293 tons which could not be recorded in profit/loss statement because it was under testing run for commercial operation.

(5) Conversion ratio: 0.865 Tons = 1,000 Liters

(6) Adjusted EBITDA refers to EBITDA excluding impact of Stock Gain/(Loss) and NRV

### Operating performance comparison between 3Q/2019 vs. 3Q/2018

In 3Q/2019, the company recorded methyl ester sales revenue of THB 2,281 million, declined from 3Q/2018 by 4% because methyl ester selling price dropped in relation to declined crude palm oil price and glycerine price decreased due to ample supply, though sales volume had improved by 22% because the company has the incremental methyl ester capacity from methyl ester plant 2.

Besides, the company was affected from increasing of total domestic methyl ester nameplate capacity, attributed to diminishing profitability of methyl ester driven by high competition in methyl ester selling price. In addition, the company also had an impact from expenses of plant shutdown in June 2019 and the advisory fee from the raw materials derogation issue. Based on these factors, EBITDA was recorded at THB -112 million, a decrease of THB 271 million or 170% from 3Q/2018. When deducting the



effect of Stock Loss & NRV of THB -86 million, the company reported Adjusted EBITDA of THB -26 million, a decrease of 114% from 3Q/2018.

### Operating performance comparison between 3Q/2019 vs. 2Q/2019

On quarter by quarter basis, methyl ester business unit's sales revenue in 3Q/2019 was slightly downed by 2%, mainly from declining of sales volume by 8% to at 102,834 tons. This was because it was a rainy season which consequences to diminishing traffic, there were no export methyl ester as there was in 2Q/2019 and the customer had drainage its own methyl ester stock. In addition, the profitability of methyl ester was pressured by high competition in the market and the company also had an impact from the expense of plant shutdown in June 2019.

Due to dramatically decreasing of palm oil price from 22.00 Baht/kg at end of 2Q/2019 at to 15.25 Baht/kg in mid of July 2019, the company recognized Stock Loss & NRV of THB -86 million in 3Q/2019. As a result, the company reported EBITDA of THB -112 million, a decrease of THB 57 million or 104% and Adjusted EBITDA of THB -26 million, an increase of THB 44 million or 63% from 2Q/2019.

### Operating performance comparison between 9M/2019 vs. 9M/2018

In 9M/2019, the company reported methyl ester sales revenue of THB 6,319 million, decreased from 9M/2018 by THB 1,515 million or 19% primarily from declining of methyl ester price following the soften of crude palm oil price and sharply decreasing of glycerine price in relation to ample glycerine supply, despite of improving of sales volume by 11% to 309,127 tons compared to 9M/2018. If considering the sales volume that could realize in profit/loss statement was at 291,834 tons, rose by 14,343 tons or 5% from 9M/2018.

Besides, the company recorded accrued payable for labor regulation amendment, in which the maximum severance pay rate is amended from 300 days to be 400 days of the employee's latest wage rate for an employee who has worked for 20 consecutive years or more. Moreover, the extraordinary expenses were recorded in this timing which were the maintenance expenses of the major shutdown and the advisory fee from the raw materials derogation issue. Based on these factors, EBITDA was posted at THB -166 million, a decrease of 139% from 9M/2018. When deducting the effect of Stock Loss & NRV of THB -89 million, the company reported Adjusted EBITDA of THB -77 million, a decrease of 116% from 9M/2018.

## Fatty Alcohol (FA) Business Unit Operating Performance

Exhibit 6 : Keys Operating Performance of FA Business Unit

Fatty Alcohols Business	3Q2019	3Q2018	%YoY	2Q2019	%QoQ	9M2019	9M2018	%YoY
Utilization (%)	114%	110%	4%	84%	30%	103%	110%	-7%
Sales Volume (Ton)	23,364	26,899	-13%	24,245	-4%	72,407	81,343	-11%
Revenue from Sales (million baht)	827	1,334	-38%	965	-14%	2,894	4,737	-39%
EBITDA (million baht)	156	130	20%	143	9%	439	209	110%
EBITDA margin(%)	18.9%	9.7%	9.2%	14.8%	4.1%	15.2%	4.4%	10.8%
Stock Gain/(Loss) & NRV	99	-29	-441%	-73	-236%	-30	-384	-92%
Adjusted EBITDA (million baht) <sup>(1)</sup>	57	159	-64%	216	-74%	469	593	-21%
Adjusted EBITDA Margin (%)	6.9%	11.9%	-5.0%	22.4%	-15.5%	16.2%	12.5%	3.7%

Note : (1) Adjusted EBITDA refers to EBITDA excluding impact of Stock Gain/(Loss) and NRV

### Operating performance comparison between 3Q/2019 vs. 3Q/2018

Fatty alcohols business recorded sales revenue of THB 827 million in 3Q/2019, a decrease of 38% from 3Q/2018 mainly due to natural fatty alcohols price drop following crude palm kernel oil price softness, and the reduction of natural fatty alcohols sales volume by 13% amounting to 23,364 tons compared to 3Q/2018. Such sales volume declined because Long Chain demand had slowed down due to uncertainty of global economy and Short Chain demand was also slow down due to an increase of customer's factory cost from more strictly safety control and more stringent environmental regulations by Chinese government. In addition, as coconut oil price declined, which the coconut oil is the substitute raw material to crude palm kernel oil, as a result, some producers had used coconut oil to be raw material and thus short chain product supply increased. Furthermore, after fatty alcohols plant shutdown in June 2019 for maintenance and catalyst changing, there was a problem with plant equipment (currently, the problem had been fixed) resulted to sales volume drop. Nevertheless, the company had EBITDA of THB 156 million, increased by THB 26 million or 20% from 3Q/2018 due to impacted from Stock Gain of THB 99 million. When deducting that impact, the company had Adjusted EBITDA for THB 57 million, decreased from 3Q/2018 by 64% due to the reducing of Short Chain's selling proportion and Shot Chain supply as mentioned above.

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### Operating performance comparison between 3Q/2019 vs. 2Q/2019

On quarter by quarter basis, the sales revenue of fatty alcohol business was recorded at THB 827 million, a decrease of 14% from 2Q/2019, mostly due to slightly decreasing of sales volume of fatty alcohols by 4% according to demand slowed down driven by uncertainty of global economy. Also, there was a problem with plant equipment (currently, the problem had been fixed). However, EBITDA was reported at THB 156 million, an increase of 9% and Adjusted EBITDA was posted at THB 57 million, a decrease of 74% from previous quarter when deducting Stock Gain of THB 99 million.

### Operating performance comparison between 9M/2019 vs. 9M/2018

In 9M/2019, fatty alcohols business recorded revenue of THB 2,894 million, a decrease of 39% from 9M/2018 primarily from natural fatty alcohols price decreased due to crude palm kernel oil price declined and declining of sales volume by 11% from 9M/2018. In summary, the company could generate EBITDA of THB 439 million, increased by 110% compared to 9M/2018. The company had been impacted from Stock Loss & NRV for THB -30 million, attributed to Adjusted EBITDA of THB 469 million, a decrease of 21% from 9M/2018.

## Consolidated Profit & Loss statement

Exhibit 7 : Consolidated Profit &amp; Loss Statement comparison of 3Q/2019, 3Q/2018 and 2Q/2019

	3Q2019		3Q2018		YoY		2Q2019		QoQ	
	MB	%	MB	%	MB	%	MB	%	MB	%
<b>Sale Revenue</b>	3,108	100	3,704	100	(596)	(16)	3,290	100	(182)	(6)
Feedstock	(2,332)	(75)	(2,693)	(73)	361	(13)	(2,388)	(73)	56	(2)
Net Realizable Value (NRV)	(19)	(1)	-	0	(19)	n.a.	10	0	(29)	(290)
<b>Product to Feed Margin</b>	<b>757</b>	<b>24</b>	<b>1,011</b>	<b>27</b>	<b>(254)</b>	<b>(25)</b>	<b>912</b>	<b>28</b>	<b>(155)</b>	<b>(17)</b>
Variable Costs	(459)	(15)	(472)	(13)	13	(3)	(486)	(15)	27	(6)
Fixed Costs	(202)	(6)	(138)	(4)	(64)	46	(177)	(5)	(25)	14
Stock Gain/(Loss)	32	1	(57)	(2)	89	(156)	(68)	(2)	100	(147)
SG&A	(93)	(3)	(73)	(2)	(20)	27	(107)	(3)	14	(13)
Other Income	9	0	18	0	(9)	(50)	14	0	(5)	(36)
<b>EBITDA</b>	<b>44</b>	<b>1</b>	<b>289</b>	<b>8</b>	<b>(245)</b>	<b>(85)</b>	<b>88</b>	<b>3</b>	<b>(44)</b>	<b>(50)</b>
Depreciation and Amortization	(139)	(4)	(124)	(3)	(15)	12	(131)	(4)	(8)	6
<b>EBIT</b>	<b>(95)</b>	<b>(3)</b>	<b>165</b>	<b>4</b>	<b>(260)</b>	<b>(158)</b>	<b>(43)</b>	<b>(1)</b>	<b>(52)</b>	<b>121</b>
Net Financial Costs	(4)	(0)	(5)	(0)	1	(20)	(4)	(0)	-	-
FX Gain/Loss <sup>(1)</sup>	3	0	(10)	(0)	13	(130)	(2)	(0)	5	(250)
Share of Profit/(Loss) from investment	4	0	46	1	(42)	(91)	16	0	(12)	(75)
Income Tax Expenses	(5)	(0)	(11)	(0)	6	(55)	(3)	(0)	(2)	67
<b>Net Profit bef extra items</b>	<b>(97)</b>	<b>(3)</b>	<b>185</b>	<b>5</b>	<b>(282)</b>	<b>(152)</b>	<b>(36)</b>	<b>(1)</b>	<b>(61)</b>	<b>169</b>
Item from raw materials derogation	-	-	-	-	-	-	14	0	(14)	(100)
Tax income from deferred tax assets	-	-	-	-	-	-	-	-	-	-
Extra item net of tax <sup>(2)</sup>	-	-	-	-	-	-	14	0	(14)	(100)
<b>Net Profit after extra items</b>	<b>(97)</b>	<b>(3)</b>	<b>185</b>	<b>5</b>	<b>(282)</b>	<b>(152)</b>	<b>(22)</b>	<b>(1)</b>	<b>(75)</b>	<b>341</b>

Notes : (1) Including Gain/(Loss) from FX and Derivatives

(2) Extra item was from reversal of inventory derogation because a supplier had delivered raw materials to the company regarding to the settlement agreement

Exhibit 8 : Consolidated Profit & Loss Statement comparison 9M/2019 and 9M/2018

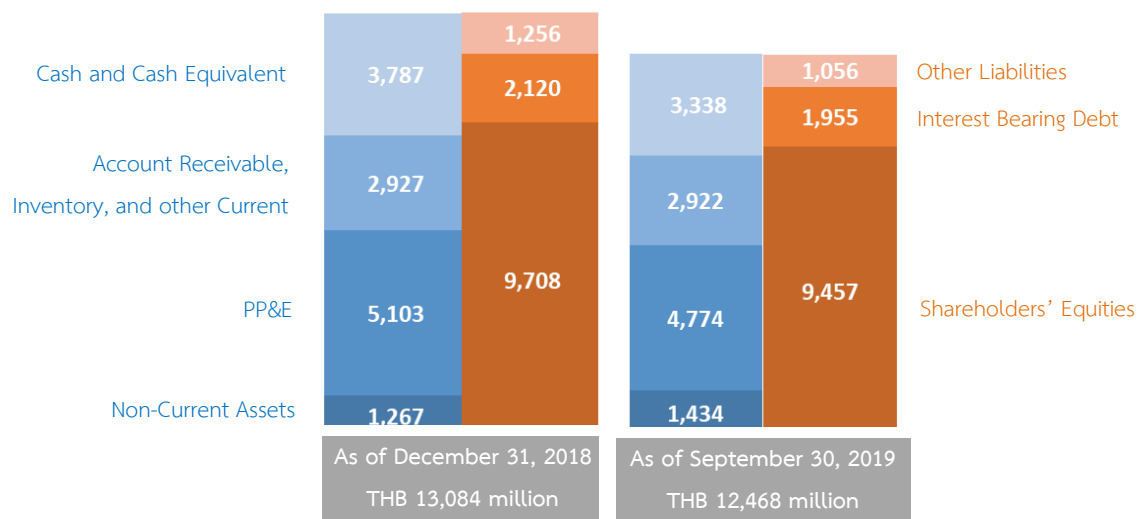
	9M2019		9M2018		YoY	
	MB	%	MB	%	MB	%
<b>Sale Revenue</b>	9,213	100	12,571	100	(3,358)	(27)
Feedstock	(6,694)	(73)	(9,500)	(76)	2,806	(30)
Net Realizable Value (NRV)	(16)	(0)	2	0	(18)	(900)
<b>Product to Feed Margin</b>	<b>2,503</b>	<b>27</b>	<b>3,073</b>	<b>24</b>	<b>(570)</b>	<b>(19)</b>
Variable Costs	(1,348)	(15)	(1,452)	(12)	104	(7)
Fixed Costs	(512)	(6)	(394)	(3)	(118)	30
Stock Gain/(Loss)	(103)	(1)	(441)	(4)	338	(77)
SG&A	(312)	(3)	(227)	(2)	(85)	37
Other Income	45	0	78	1	(33)	(42)
<b>EBITDA</b>	<b>273</b>	<b>3</b>	<b>637</b>	<b>5</b>	<b>(364)</b>	<b>(57)</b>
Depreciation and Amortization	(381)	(4)	(395)	(3)	14	(4)
<b>EBIT</b>	<b>(108)</b>	<b>(1)</b>	<b>242</b>	<b>2</b>	<b>(350)</b>	<b>(145)</b>
Net Financial Costs	(12)	(0)	(19)	(0)	7	(37)
FX Gain/Loss <sup>(1)</sup>	(2)	(0)	7	0	(9)	(129)
Share of Profit/(Loss) from investment	22	0	93	1	(71)	(76)
Income Tax Expenses	(13)	(0)	(6)	(0)	(7)	117
<b>Net Profit bef extra items</b>	<b>(113)</b>	<b>(1)</b>	<b>317</b>	<b>3</b>	<b>(430)</b>	<b>(136)</b>
Item from raw materials derogation	16	0	(2,004)	(16)	2,020	(101)
Tax income from deferred tax assets	-	-	84	1	(84)	(100)
Extra item net of tax <sup>(2)</sup>	16	0	(1,920)	(15)	1,936	(101)
<b>Net Profit after extra items</b>	<b>(97)</b>	<b>(1)</b>	<b>(1,603)</b>	<b>(13)</b>	<b>1,506</b>	<b>(94)</b>

Notes : (1) Including Gain/(Loss) from FX and Derivatives

(2) Extra items were the item from raw material derogation and tax income from deferred tax assets.

## Statement of Financial Position

Exhibit 9 : Consolidated Financial Position as of September 30, 2019 and as of December 31, 2018



### Assets

As of September 30, 2019, the company had total assets of THB 12,468 million, a decrease of THB 616 million when compared to December 31, 2018 in which key changes are described as follows;

1. account receivable and other receivables were decreased by THB 339 million mainly from the declining of revenue compared to the end of the 2018;
2. inventory value was increased by THB 309 million because the amount of inventory had increased.
3. cash and cash equivalent were declined by THB 449 million caused by investment payment in GGC KTIS Bio Industrial Company Limited ( GKBI ), payable to contractor for methyl ester plant 2 and long-term loan payment from financial institute;
4. non-current assets were decreased by THB 162 million primarily from the declining of PP&E due to depreciation in year of 2019, offsetting by the increasing of investment payment in joint venture.

## Liabilities

As of September 30, 2019, the company had total liabilities of THB 3,011 million, a decrease of THB 365 million or 11% when compared to December 31, 2018, mainly attributed to

1. account payable was decreased by THB 273 million because the company had to reserve more raw materials for production after New Year 2019, including raw material prices declined in 3Q/2019;
2. long term borrowings from financial institutions was decreased by THB 220 million due to loan repayment as per schedule;
3. Other payables were increased mainly from increasing of accrued dividend as approved by the Company's Board of Directors on September 11, 2019.

## Shareholder's equities

As of September 30, 2019, the company had total shareholder's equity of THB 9,457 million, decreased by THB 251 million or 3% due to the announcement of the payment of interim dividend to the Company's shareholders as the approval of the Company's Board of Directors on September 11, 2019 and the net loss of THB 97 million for the period of 9 months ended September 30, 2019.

## Statement of Cash Flows

The company had cash from operating activities of THB 111 million due to the net loss of THB 97 million, offsetting by the adjustment for non-cash items, a decrease of account receivable and inventory, and increasing of account payable.

The company had cash from investing activities of THB 325 million because there was equity injection to GGC KTIS Bio Industrial Company Limited (GKBI) amounting to THB 286 million and cash spending for PP&E for THB 214 million mainly from investment in methyl ester plant 2. In the meantime, the company had received cash dividend from Thai Ethoxylate Co, Ltd. (TEX) amounting to THB 123 million and interest income of THB 36 million.

The company had cash flow spending for financial activities of THB 223 million, which was spent for repayment of long-term loan from financial institute and interest payment, financial fee and financial leases.

## Key Financial Ratios

Exhibit 10 : Key Financial Ratios comparison of 3Q/2019, 3Q/2018 and 2Q/2019

Key Financial Ratio	3Q2019	3Q2018	2Q2019
Current ratio (x)	4.6	4.4	4.9
EBITDA to sales revenue (%)	1.4	7.8	2.7
Net profit to sales revenue (%)	(3.1)	5.0	(0.7)
Return on total assets (%)	1.2	(9.9)	3.4
Return on equity (%)	3.7	(13.3)	6.7
Debt to equity (x)	0.3	0.4	0.3
Interest bearing debt to equity (x)	0.2	0.2	0.2
Interest bearing debt to EBITDA (x)	3.5	2.2	2.4

Notes:

Current ratio (x)	=	Current assets divided by current liabilities
EBITDA to sales revenue (%)	=	EBITDA divided by sale volume
Net profit to sales revenue (%)	=	Net profit divided by sales revenue
Return on total assets (%)	=	Net profit divided by average total assets
Return on equity (%)	=	Net profit divided by average equities attributed to owners of the company
Debt to equity (x)	=	Total debt divided by shareholders' equities
Interest bearing debt to equity (x)	=	Interest bearing debt divided by shareholder' equities
Interest bearing debt to EBITDA (x)	=	Interest bearing debt divided by EBITDA